

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al  
Debtor

Case No. 01-01139 Jointly Administered  
Reporting Period: July 2003

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

26 AUGUST 2003  
\_\_\_\_\_  
Date

Robert M. Tarola

Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer

Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**July 31, 2003**

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**Monthly Operating Report**

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**Bank Statements**

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None

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

July 2003

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP Morgan Chase Holding 323223141
<b>CASH BEGINNING OF MONTH</b>	\$ 119,578	\$ -	\$ (0)	\$ 0	\$ 28,578,559	\$ 0	\$ 733,326
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			5,326,158		28,272		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	210,000			2,098,584	96,200,000		
MISCELLANEOUS			394				
<b>TOTAL RECEIPTS</b>	<b>210,000</b>	<b>-</b>	<b>5,326,551</b>	<b>2,098,584</b>	<b>96,228,272</b>	<b>-</b>	<b>-</b>
<b>DISBURSEMENTS</b>							
PAYROLL				1,432,775			
PAYROLL TAXES				657,802			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	215,232						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			5,326,551		47,700,000		
MISCELLANEOUS				8,007			
<b>TOTAL DISBURSEMENTS</b>	<b>215,232</b>	<b>-</b>	<b>5,326,551</b>	<b>2,098,584</b>	<b>47,700,000</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	<b>(5,232)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,528,272</b>	<b>-</b>	<b>-</b>
<b>CASH - END OF MONTH</b>	<b>114,347</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	<b>77,104,831</b>	<b>0</b>	<b>733,326</b>

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

July 2003

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8158203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Citic Bank Payroll 15502015736	First Union Libby Medical 2079900065008
<b>CASH BEGINNING OF MONTH</b>	\$ 530,968	\$ 2,732,335	\$ 0	\$ -	\$ -	\$ 0	\$ -
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES		43,506,611					
ACCOUNTS RECEIVABLE - INTERCOMPANY		278,716					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	3,789,608						
TRANSFERS IN - NONFILING ENTITIES	78,398,409						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	139,394,388		82,100,000	5,400,485	4,158		142,572
MISCELLANEOUS							
<b>TOTAL RECEIPTS</b>	<b>221,582,404</b>	<b>43,785,326</b>	<b>82,100,000</b>	<b>5,400,485</b>	<b>4,158</b>	<b>-</b>	<b>142,572</b>
<b>DISBURSEMENTS</b>							
PAYROLL				3,662,231			
PAYROLL TAXES				1,474,406			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS	10,000,000						
DIP INTEREST AND USAGE FEES	212,492						
TRANSFERS OUT - THIRD PARTIES	15,800,477	1,054,498			4,058		
TRANSFERS OUT - NONFILING ENTITIES	7,221,390						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	188,418,828	44,285,862	78,991,572				
MISCELLANEOUS			3,108,429	263,848	100		142,572
<b>TOTAL DISBURSEMENTS</b>	<b>221,651,187</b>	<b>45,340,359</b>	<b>82,100,000</b>	<b>5,400,485</b>	<b>4,158</b>	<b>-</b>	<b>142,572</b>
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	<b>(68,783)</b>	<b>(1,555,033)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH - END OF MONTH</b>	<b>462,185</b>	<b>1,177,302</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

July 2003

	First Union Accts Payable 2079920005781	First Union Payroll 2079900067554	Wachovia Lockbox 1666-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Alfirst Payroll 16298831	SunTrust Payroll 60000141309
CASH BEGINNING OF MONTH	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0	\$ 130,223	\$ 45,273
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES			32,730,914				
ACCOUNTS RECEIVABLE - INTERCOMPANY			8,301,245				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES			229,000				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	35,676,043	1,557,749		6,354,444	27,757,537	4,307,824	
MISCELLANEOUS	705,513		820,816	208,689	3,787,404		
TOTAL RECEIPTS	36,381,556	1,557,749	42,081,975	6,563,134	31,544,942	4,307,824	-
DISBURSEMENTS							
PAYROLL		1,124,956				2,733,824	
PAYROLL TAXES		396,141				1,574,002	
TRADE PAYABLES - THIRD PARTIES	36,381,556			6,563,134	31,544,942		
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES							
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			42,081,975				
MISCELLANEOUS		36,652					
TOTAL DISBURSEMENTS	36,381,556	1,557,749	42,081,975	6,563,134	31,544,942	4,307,826	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	-	(2)	-
CASH - END OF MONTH	(0)	-	0	0	0	130,221	45,273

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace & Co. - Conn  
Schedule of Cash Receipts and Disbursements  
MOR-1  
July 2003

	PNC 4002641380	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298857	First Union Petty Cash 2040000018900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172
CASH BEGINNING OF MONTH	\$ 24,671	\$ 10,000	\$ -	\$ 212,908	\$ 56,332	\$ 1,008	\$ 387,813
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES						13,541	157,500
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES						40,586	
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				5,121,903			
MISCELLANEOUS							
TOTAL RECEIPTS	-	-	-	5,121,903	-	54,126	157,500
DISBURSEMENTS							
PAYROLL				3,382,734		4,193	
PAYROLL TAXES				1,739,169		14,535	
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES						22,535	40,734
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS						10,124	29,558
TOTAL DISBURSEMENTS	-	-	-	5,121,903	-	51,388	70,291
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	-	2,740	87,208
CASH - END OF MONTH	24,671	10,000	-	212,908	56,332	3,748	475,021

## Note #1

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W. R. Grace & Co. - Conn Schedule of Cash Receipts and Disbursements MOR-1 July 2003				
	Banco de Credito Time Deposit 0015820	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit
CASH BEGINNING OF MONTH	\$ -	\$ 3,623	\$ 823,301	\$ 0
RECEIPTS				
ACCOUNTS RECEIVABLE - THIRD PARTIES			226,841	
ACCOUNTS RECEIVABLE - INTERCOMPANY				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				
DIP BORROWINGS				
TRANSFERS IN - THIRD PARTIES		19,182		
TRANSFERS IN - NONFILING ENTITIES				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				
MISCELLANEOUS				
TOTAL RECEIPTS	-	19,182	226,841	-
DISBURSEMENTS				
PAYROLL		12,163		
PAYROLL TAXES		1,210		
TRADE PAYABLES - THIRD PARTIES			77,889	
TRADE PAYABLES - INTERCOMPANY				
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				
DIP PRINCIPAL REPAYMENTS				
DIP INTEREST AND USAGE FEES				
TRANSFERS OUT - THIRD PARTIES			15,000	
TRANSFERS OUT - NONFILING ENTITIES				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				
MISCELLANEOUS		6,593	14,508	
TOTAL DISBURSEMENTS	-	19,965	107,198	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(783)	119,443	-
CASH - END OF MONTH	-	2,840	942,744	0

**Note #1**

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W. R. Grace & Co. - Conn				
Schedule of Cash Receipts and Disbursements				
MOR-1				
July 2003				
	Cash on Hand	Other	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 49,425	\$ 483,734	\$ 34,921,077	
RECEIPTS				
ACCOUNTS RECEIVABLE - THIRD PARTIES			76,835,206	
ACCOUNTS RECEIVABLE - INTERCOMPANY			8,570,960	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	
DIP BORROWINGS			-	
TRANSFERS IN - THIRD PARTIES			9,203,605	
TRANSFERS IN - NONFILING ENTITIES			76,827,408	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			406,325,688	
MISCELLANEOUS			5,522,816	
TOTAL RECEIPTS			584,894,882	-
DISBURSEMENTS				
PAYROLL			12,352,874	
PAYROLL TAXES			5,857,265	
TRADE PAYABLES - THIRD PARTIES			74,567,321	
TRADE PAYABLES - INTERCOMPANY			-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	
DIP PRINCIPAL REPAYMENTS			10,000,000	
DIP INTEREST AND USAGE FEES			212,482	
TRANSFERS OUT - THIRD PARTIES			17,152,533	
TRANSFERS OUT - NONFILING ENTITIES			7,221,390	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			406,802,787	
MISCELLANEOUS		106,899	3,727,289	
TOTAL DISBURSEMENTS	-	106,899	537,893,950	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(106,899)	47,000,932	-
CASH - END OF MONTH	49,425	376,835	81,922,009	\$ -

**Note #1**

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W.R. Grace & Co.			
Schedule of Cash Receipts and Disbursements			
MOR-1			
July 2003			
	JP Morgan Chase Pass Through 323881983	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	478,550	478,550	
TOTAL RECEIPTS	478,550	478,550	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	478,550	478,550	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	478,550	478,550	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ (0)	\$ (0)	\$ -

Remedium Group, Inc. Schedule of Cash Receipts and Disbursements MOR-1 July 2003					
	JP Morgan Chase Depository/Wire 323883942	JP Morgan Chase Disbursement 601831585	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 2,287,577	\$ (2,477,233)	\$ 1,449	\$ (188,107)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES	1,449	1,985,123		1,986,572	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		478,550		478,550	
TOTAL RECEIPTS	1,449	2,463,673	-	2,465,122	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES			1,449	1,449	
TRANSFERS OUT - NONFILING ENTITIES	2,287,577			2,287,577	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	1,449			1,449	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	2,289,126	-	1,449	2,290,574	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(2,287,577)	2,463,673	(1,449)	174,548	
CASH - END OF MONTH	-	(13,560)	-	(13,560)	

Darex Puerto Rico, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

July 2003

	Citibank Operating Acct 300153011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,315,434	\$ 1,500	\$ (51,873)	\$ 4,265,281	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES	342,301			342,301	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				-	
TOTAL RECEIPTS	342,301	-	-	342,301	-
DISBURSEMENTS					
PAYROLL	10,072			10,072	
PAYROLL TAXES	3,729			3,729	
TRADE PAYABLES - THIRD PARTIES	240,109			240,109	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	253,911	-	-	253,911	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	88,391	-	-	88,391	-
CASH - END OF MONTH	4,403,825	1,500	(51,873)	4,353,652	-

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
July 2003			
	First Union Deposit Acct 2199500031902	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

<b>Kootenai Development Company</b> <b>Schedule of Cash Receipts and Disbursements</b> <b>MOR-1</b> <b>July 2003</b>			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 29,162	\$ 29,162	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 29,162	\$ 29,162	\$ -

Grace Europe, Inc. Schedule of Cash Receipts and Disbursements MOR-1 July 2003			
	Bardays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
July 2003			
	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION			
PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	\$ -



<b>Gloucester New Communities Company, Inc.</b> <b>Schedule of Cash Receipts and Disbursements</b> <b>MOR-1</b> <b>July 2003</b>			
	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -

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[illegible]

W. R. Grace & Co. - Conn  
Bank Reconciliations  
June 2003  
MOR-1

	First Union Petty Cash 2079800005600	Chic Bank Payroll 15502015738	First Union Libby Medical 2079800005008	First Union Accts Payable 2079820005761	First Union Payroll 2079900087554
Balance per books	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Balance	\$ -	\$ -	\$ -	\$ -	\$ -
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	(480)	-	-	(5,507,354)	(49,030)
Other	480	-	-	5,507,354	49,030
Adjusted bank balance	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
	5666 (161)			Detail Available	Detail Available
	18489 (60)				
	23329 (78)				
	33408 (24)				
	33446 (50)				
	33462 (87)				
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity	4,829			18,273	12,290
Unreconciled ledger activity	(100)			(945,051)	1,114
Returned item adjustment					(1,026)
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass	(4,369)			6,434,132	36,852
Unrecorded deposit					

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Chart 2

W. R. Grace & Co. - Conn Bank Reconciliations June 2003 MOR-1										
	Banco de Credito Operating Acct 1831115122058		Banco de Credito Operating Acct 1831125963172		Banco de Credito Time Deposit		Bank of Boston Operating Acct 0154519		Bank of Boston Operating Acct 0154424	
Balance per books	(Sales)	3,495	(US\$)	\$ 387,813	(US\$)	\$ -	(Sales)	12,586	(US\$)	\$ 823,301
Bank Balance		\$ 4,000		\$ 406,613		\$ -		\$ 12,586		\$ 796,050
(+) Deposits in transit		-		-		-		-		27,251
(-) Outstanding checks		(505)		(18,800)		-		-		-
Other		-		-		-		-		-
Adjusted bank balance		\$ 3,495		\$ 387,813		\$ -		\$ 12,586		\$ 823,301
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
									30-Jun-03	27,251
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	7718037	(505)	5362517	(18,800)						
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit										

Remedium Group, Inc. Bank Reconciliations June 2003 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831895	
Balance per books	\$ 2,287,877		\$ (2,477,233)	
Bank Balance	\$ -		\$ -	
(+) Deposits in transit				
(-) Outstanding checks			(189,556)	
Other	2,287,877		(2,287,877)	
Adjusted bank balance	\$ 2,287,877		\$ (2,477,233)	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
			4750	(180)
			4793	(6,697)
			4798	(295)
			4803	(1,000)
			4816	(593)
			4822	(6,738)
			4823	(321)
			4824	(1,169)
			4825	(2,080)
			4826	(53,174)
			4827	(3,078)
			4828	(3)
			4829	(673)
			4830	(65)
			4831	(109,399)
			4832	(41)
			4833	(1,131)
			4834	(27)
			4835	(605)
			4836	(938)
			4837	(22)
			4838	(1,027)
			4839	(300)
Other				
Transfers between bank accounts		2,287,877		(2,287,877)
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				





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Darex Puerto Rico, Inc. Bank Reconciliations June 2003 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 4,315,434	
Bank Balance	\$ 4,211,913	
(+) Deposits in transit	156,976	
(-) Outstanding checks	(53,722)	
Other	287	
Adjusted bank balance	\$ 4,315,434	
Deposits in Transit	Date	Am't
	26-Jun-03	112,697
	27-Jun-03	44,279
Outstanding Checks	Ck. #	Am't
	15461	(27)
	15904	(728)
	16360	(505)
	16400	(11,430)
	16404	(10,392)
	16407	(3,000)
	16409	(71)
	16412	(345)
	16416	(7,862)
	16425	(13)
	16426	(8,384)
	16427	(4,854)
	16428	(125)
	16429	(7,608)
	16430	(248)
	16431	(90)
	16432	(235)
	16433	(50)
	16434	(195)
	16435	(140)
	16325	6,452
	various	(4,072)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		437
Payroll tax payments not recorded		
Unreconciled bank activity		(6,055)
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

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**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended July 31, 2003**

	W.R. Grace & Co. Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 74,619,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	20,677,489	-	-	-	-	-	-	-	-
Net sales to filing entities	98,369	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,780,437	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(3,644,453)	2,631,707	321,994	19,173	845,233	-	2,602,915	-	-
Other income	(1,714,556)	-	-	-	-	-	-	-	-
	91,816,523	2,631,707	321,994	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	47,401,410	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	16,922,286	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	104,494	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	21,851,161	-	6,014	-	-	17,971	-	4,302	-
Research and development expenses	2,868,103	-	-	-	-	-	-	-	-
Depreciation and amortization	4,984,323	-	2,319	-	-	-	-	-	-
Interest expense	1,351,038	-	-	-	-	-	-	-	-
	95,482,817	-	8,333	-	-	17,971	-	4,302	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(3,666,294)	2,631,707	313,661	19,173	845,233	(17,971)	2,602,915	(4,302)	-
Chapter 11 reorganization expenses, net	(1,269,461)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(490,482)	(921,098)	(109,800)	(6,711)	(295,832)	328	(911,020)	1,506	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ (5,426,237)</b>	<b>\$ 1,710,609</b>	<b>\$ 203,861</b>	<b>\$ 12,462</b>	<b>\$ 549,401</b>	<b>\$ (17,643)</b>	<b>\$1,691,895</b>	<b>\$ (2,796)</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended July 31, 2003										
	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.	Koolenal Development Company
Net sales to third parties	\$ -	\$ 553,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	2,398,739	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(2,776,567)	-	-	-	-	-	-	-	-	-
Other income	1,380,309	-	-	-	-	-	-	-	-	-
	1,002,481	553,990	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	312,242	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	28,207	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	92,721	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,887	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	441,057	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	1,002,481	112,933	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(387,055)	(39,527)	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ 615,426</b>	<b>\$ 73,406</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended July 31, 2003**

	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental Inc.	Grace Chemical Company of Cuba	Southern Oil Resin & Fiberglass, Inc.	Guantanamo Caribe Land Development Corporation	Dewey & Almy LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended July 31, 2003**

	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G.C. Management, Inc.	Water Street Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended July 31, 2003										
	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N. Fin. Company	Grace PAR Corporation	Grace A-B Inc.	Honco International Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended July 31, 2003										
	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracemcoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended July 31, 2003						
	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,173,227
Net sales to non-filing entities	-	-	-	-	-	20,677,489
Net sales to filing entities	-	-	-	(98,369)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	4,179,177
Interest and royalties from filing entities, net	-	-	-	0	-	-
Other income	-	-	-	-	-	(334,247)
	-	-	-	(98,369)	-	99,695,646
Cost of goods sold to third parties	-	-	-	-	-	47,713,652
Cost of goods sold to non-filing entities	-	-	-	-	-	16,922,286
Cost of goods sold to filing entities	-	-	-	(132,702)	-	-
Selling, general and administrative expenses	-	-	-	-	-	21,972,169
Research and development expenses	-	-	-	-	-	2,868,103
Depreciation and amortization	-	-	-	-	-	4,994,529
Interest expense	-	-	-	-	-	1,351,039
	-	-	-	(132,702)	-	95,821,778
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	34,333	-	3,873,867
Chapter 11 reorganization expenses, net	-	-	-	-	-	(1,269,461)
(Provision for) benefit from income taxes	-	-	-	-	-	(3,159,691)
Minority interest in income of subsidiary	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	10,110,527	10,110,527
Net Income	\$ -	\$ -	\$ -	\$ 34,333	\$ 10,110,527	\$ 9,555,242

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR -3

July 31, 2003

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 81,922,009	\$ -	\$ (13,560)	\$ -	\$ -	\$ -
Accounts and other receivables, net	111,547,129	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	335,389,524	(419,337,980)	(5,169,653)	12,894,112	(37,725,242)	(9,503,189)
Inventories	79,387,196	-	-	-	-	-
Deferred income taxes	25,429,779	-	1,247,006	-	-	-
Other current assets	14,979,918	-	-	-	-	-
<b>Total Current Assets</b>	<b>648,655,556</b>	<b>(419,337,980)</b>	<b>(3,912,242)</b>	<b>12,894,112</b>	<b>(37,725,242)</b>	<b>(9,503,189)</b>
Properties and equipment, net	386,735,798	-	469,245	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	88,602,867	-	-	-	-	-
Deferred income taxes	730,408,864	-	44,101,884	-	-	-
Asbestos-related insurance receivable	272,389,808	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,174,842,621)	829,402,717	128,923,866	4,725,661	204,137,187	-
Investment in filing and non-filing entities	835,621,121	241,512,111	-	-	-	-
Other assets	84,741,865	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,886,812,348</b>	<b>\$ 651,576,848</b>	<b>\$ 169,582,753</b>	<b>\$ 17,619,772</b>	<b>\$ 166,411,946</b>	<b>\$ (9,503,189)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 40,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	41,134,205	-	39,029	-	-	-
Income taxes payable	0	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	55,573,650	-	20,949	-	-	1,409
<b>Total Current Liabilities</b>	<b>136,707,855</b>	<b>-</b>	<b>59,979</b>	<b>-</b>	<b>-</b>	<b>1,409</b>
Debt payable after one year	(438,134)	-	-	-	-	-
Deferred income taxes	146,609,792	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	236,707,672	0	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>519,587,184</b>	<b>0</b>	<b>59,979</b>	<b>-</b>	<b>-</b>	<b>1,409</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	545,548,703	-	-	-	-	-
Accounts payable	31,390,246	-	665,607	-	-	-
Income taxes payable	206,107,938	10,005,011	568,817	41,853	2,070,821	(20,350)
Asbestos-related liability	967,298,552	-	-	-	-	-
Other liabilities	392,444,778	188,091	129,568,257	-	32,099,316	-
<b>Total Liabilities Subject to Compromise</b>	<b>2,142,790,216</b>	<b>10,193,102</b>	<b>130,802,681</b>	<b>41,853</b>	<b>34,170,137</b>	<b>(20,350)</b>
<b>Total Liabilities</b>	<b>2,662,377,400</b>	<b>10,193,102</b>	<b>130,862,659</b>	<b>41,853</b>	<b>34,170,137</b>	<b>(18,941)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,933	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,469,670	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(659,997,452)	348,073,728	28,983,422	(16,475,547)	76,230,232	(9,485,248)
Treasury stock, at cost	-	(135,929,684)	-	-	-	-
Accumulated other comprehensive loss	(342,346,437)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(775,565,052)</b>	<b>641,383,746</b>	<b>38,720,094</b>	<b>17,577,920</b>	<b>132,241,809</b>	<b>(9,484,248)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,886,812,348</b>	<b>\$ 651,576,848</b>	<b>\$ 169,582,753</b>	<b>\$ 17,619,772</b>	<b>\$ 166,411,946</b>	<b>\$ (9,503,189)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

July 31, 2003

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewile Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ (0)	\$ 4,353,652	\$ -
Accounts and other receivables, net	-	82,079	-	-	3,123,981	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,310)	5,561,525	140,524,854	(84,749,767)	(1,589,445)	(5,422,652)
Inventories	-	(0)	-	-	179,358	-
Deferred income taxes	-	79,005	-	-	13,169	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>(386,938,310)</b>	<b>5,722,608</b>	<b>140,524,854</b>	<b>(84,749,767)</b>	<b>6,080,715</b>	<b>(5,422,652)</b>
Properties and equipment, net	-	-	-	-	773,247	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	453,323,927	(3,271,557)	-	61,226,252	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	226,586	1,403,664
<b>Total Assets</b>	<b>\$ 66,385,617</b>	<b>\$ 2,543,213</b>	<b>\$ 140,524,854</b>	<b>\$ 35,145,949</b>	<b>\$ 7,080,547</b>	<b>\$ (4,018,988)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	22,065	-	23,688	295,739	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	350,222	-	-	199,063	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>372,287</b>	<b>-</b>	<b>23,688</b>	<b>494,802</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>372,287</b>	<b>-</b>	<b>23,688</b>	<b>641,299</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	6,376,931	(864,348)	(150)	(976,117)	1,271,397	(175)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	225,726	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>6,376,931</b>	<b>(638,622)</b>	<b>(150)</b>	<b>(976,117)</b>	<b>1,405,304</b>	<b>(175)</b>
<b>Total Liabilities</b>	<b>6,376,931</b>	<b>(266,334)</b>	<b>(150)</b>	<b>(952,429)</b>	<b>2,046,603</b>	<b>(175)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	50,937,489	-	274,606
(Accumulated deficit)/Retained earnings	89,274,984	(434,363)	115,166,011	(37,519,754)	5,032,944	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,242,910	-	22,679,644	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>60,008,686</b>	<b>2,809,547</b>	<b>140,525,004</b>	<b>36,098,378</b>	<b>5,033,944</b>	<b>(4,018,813)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 66,385,617</b>	<b>\$ 2,543,213</b>	<b>\$ 140,524,854</b>	<b>\$ 35,145,949</b>	<b>\$ 7,080,547</b>	<b>\$ (4,018,988)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**July 31, 2003**

	Alewife Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 56,003,921
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(816)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(816)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(816)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	56,004,737
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 56,003,921

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.